



Town of Swampscott
Finance Committee Meeting Minutes
Monday, March 6th, 2023 - 7:00 PM
Virtual meeting

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FINANCE COMMITTEE MEMBERS PRESENT

Eric Hartmann (Chair), Joan Hilario, Suraj Krishnamurthi, Cinder McNerney, Erik Schneider, Sunit Shah.

FINANCE COMMITTEE MEMBERS ABSENT

Matthew Kirschner (Vice-chair), Naomi Dreeben

OTHER TOWN STAFF

Michael McClung, Town Moderator; Peter Spellios, Selectboard member, Amy Sarro, Director of Admin. & Finance; Patrick Luddy, Town Treasure/Collector; Trang Vu, Assistant Town Accountant.

The meeting was called to order at 7:06 PM

Public comment

None

Report-out

None

Initial discussion of FY2024 Budget Book

Chairman Hartmann encouraged the Committee to review the Budget book footnoted version of the recommended budget which supplements the information provided in the budget book. He also asked Committee to think about Department heads they would like to invite to discuss about their proposed budget.

Mr. Hartmann then went through the proposed FY 2024 budget by department line-by-line with the committee to identify items that were unlikely to require additional review. They were as follows:

Town Moderator
Treasury and Customer Service
Town Clerk
Conservation Commission
Board of Appeals
Historical Commission

Select Board (Revisit next meeting)

Erik Schneider noticed many line items that go under 5-year average or the previous year such as *Community programs* under Selectboard budget and *Office Supplies*. Amy Sarro responded that starting FY2024, we are centralizing office supplies in Town Hall, under Treasury expense budget. All *Office Supplies* line in different departments are specific for those departments such as business cards, specialized envelopes or a miscellaneous expense line for those departments. Some reduced lines are for budgetary purposes, but she believed it is an achievable budget.

Finance Committee (Revisit next meeting)

Under *Finance Committee Reserve fund*, Erik Schneider asked how it can be used, who authorize its usages and what happens with the money at the end. Amy Sarro commented that Finance Committee is authorized to approve the use of this fund for unforeseen expenses. The Department head and Town Administrator would come to Finance Committee and request to utilize the reserve fund for some unexpected circumstances. It then can be paid from the fund if the Committee agree and make motion to support it. The unspent amount would fall to free cash at the end of the year.

Responded to Erik Schneider's question on what other sources of money we can use if Finance Committee Reserve fund is insufficient, Ms. Sarro mentioned that except for cases that are covered by insurance or Finance Committee Reserve, we can use Stabilization fund with Town meeting authorization. Adding to this question, Cinder McNerney commented that DOR has procedures for emergency situations and emergency spending requirements and they can provide us the ability to apply for emergency spending.

Eric Hartmann would like to see the balance of all Town's reserve fund and free cash.

Town Administrator (Revisit next meeting)

Under *Contracted Consulting Services*, Amy Sarro mentioned that this line item is to give Town Administrator some flexibility as things come up. She also mentioned that Town side will have 53 and School side will have 27 Payroll weeks this coming FY.

Accounting

Under *Other Compensation*, Ms. Sarro mentioned that in her contract, there are 2 items which are potential performance bonus and bones if she achieves certain certifications that are listed. For budgetary reasons, we budget for one of those per year.

Sunit Shah commented that Contracted Consulting Services budgeted seems lower than 5-year average and would like to know the reasons behind. Amy Sarro responded that before she was hired, the position was vacant for 9 months and we had a consultant doing all the State requires reporting. The previous Town accountant had used the outside consultants to produce the Year-end Balance Sheet reports as well as Schedule A while she has been doing it in house now.

Assessing

There are significant changes in *Assessing Director* and *Admin Support* in FY24 compared to last year because the new hire Director is a part-time employee with less hours than the previous one; while Admin Support is given more hours than she used to have.

Legal/Insurance (Revisit next meeting)

Mentioning to the \$20,000 decrease in *Town Counsel Contract* despite of all legal relevant real estate transactions of the town, Amy Sarro mentioned that it is the direction of the Town Administrator, and he is renegotiating the legal contract. The official number will be available before Town meeting. For *Property & Casualty insurance*, \$730,000 is based on the average increase that we had on our policies last year, inclusive of the additional \$65,000 to insure the Hawthorne property. However, this number would possibly change as we have had the final quotes.

Human Resources (Revisit next meeting)

Amy Sarro mentioned to a change in *Diversity Coordinator* position into a stipend for a Town employee who is going to take required course and getting certified.

Under *Employee Tuition Reimbursement*, Ms. Sarro mentioned that it is only open to Town personnel who raise their hand with HR Director, up to \$1500 per class, \$3000 per year.

Eric Hartmann asked for an overview of *Employee Recognition* and *Employee Assistance*. Amy Sarro commented that *Employee Recognition* was established to celebrate people who hit their milestone anniversaries with the town, or employee appreciation parties. *Employee Assistance* is requested by TA last year and HR Director is working on create a policy on using this line.

For *End of Employment-School*, the number was given by School Finance Director, knowing that there will be 2 employees going to retire. Responded to Mr. Schneider’s questions about if money in *End of Employment – Town* is to fund the Compensated Reserve fund created back in December Special Town Meeting, Ms. Sarro commented that the money is not coming in or going out of the fund. The proposed amount in the budget is actual knowns, while the Reserve fund is supposed to be for unknown or for people who we want to incentive to retire early.

Technology

Questions brought up by Mr. Hartmann to include the cost of software for different department in their own budget instead of putting in Technology budget.

Community Development (Revisit next meeting)

Assistant Director of Community Development is a new role updated from *Senior Planner* role. It has been vacant for a while and is suggested to update it to an assistant director of community development and increase the salary accordingly in order to get a better candidate pool.

Land Use Coordinator line goes down because the person has been working extra hours with the vacancy of Senior Planner. With anticipation of having new assistant director, it will put this person back to the standard hours.

Facilities

The big change is the reduction of the *Maintenance Salaries* line since the Director decides to handle it in consulting and have a contractor come in as needed to address at a much lesser cost than hiring someone.

The \$16,000 cut in *Custodians* is due to a change into one full-time person instead of one part-time and one full-time as before.

Assistant Director of Facilities line is a \$10,000 stipend for supporting the Facilities department to Building Inspector Director.

Responded to Mr. Schneider, Amy Sarro mentioned that the *Operating Electricity* and *Operating Gas* line are just for Town buildings, school excluded. We get out electric supply on a locked rate contract prior to the rate spike for 3-year contract.

Old and new business

The Committee discussed the plan to have meetings twice a week until April if needed. Mr. Hartmann mentioned to have a meeting with School Committee and School Finance team.

Patrick Luddy commented that he is having some meetings with Town Administrator and Department heads to finalize proposed Capital projects and put together a comprehensive document for committee review soon.

On **MOTION** (Joan Hilario) and **SECONDED** (Cinder McNerney), it was **VOTED** to adjourn the meeting at 9:03 PM by **ROLL CALL**. **ROLL CALL:** Erik Schneider (YES), Suraj Krishnamurthi (YES), Sunit Shah (YES), Eric Hartmann (YES).

True Attest,

Trang Vu

Assistant Town Accountant

Approved by vote of the finance committee 06/22/2023